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SUBJECT: Strike Closes Acajutla Port; Union Gang Ties Alleged

CLASSIFIED BY: Robert I. Blau, Charge d'Affaires; REASON: 1.4(B), (D)

11. (C) SUMMARY: A large-scale labor union strike closed El Salvador's sole operating seaport for two days until police peacefully removed the strikers. The President of the Salvadoran Autonomous Port Authority (CEPA), Guillermo Lopez-Suarez, said port operations have returned to normal and negotiations are ongoing. Lopez-Suarez also alleged gang involvement in the union and strike, a potentially troubling development in El Salvador's labor movement. END SUMMARY.

12. (U) On December 29, the Salvadoran stevedores union (STIPES) organized a labor strike at the Port of Acajutla, El Salvador's sole operating seaport, blockading all entry/exit points and forcing the cessation of operations. Approximately 150 striking workers maintained a 24-hour vigil and prevented all movement in

and out of the port, forcing three cargo vessels to leave port without unloading their goods. On December 31, the National Civilian Police (PNC) peacefully dislodged the protestors and forced them to maintain an 800 meter distance from the port. Although the media reported on financial damages due to the port

closure, the Embassy did not receive any reports from U.S. businesses based in El Salvador affected by the closure.

13. (SBU) According to Roberto Bara, General Manager of CEPA, STIPES demanded that 440 subcontracted port workers be hired into permanent positions in CEPA. Bara said the subcontractors are paid on a per job basis, earning less than permanent salaried employees. Bara added reinstating all 440 former employees is

not financially viable and could bankrupt the port and seriously jeopardize CEPA's finances.

14. (SBU) On January 4, Guillermo Lopez Suarez, President of CEPA, advised that normal operations at the port have resumed but negotiations with STIPES continue. Lopez-Suarez said STIPES accepted a compromise where CEPA will now pay the aggrieved workers a higher salary and provide benefits, but the workers will not be hired as permanent CEPA employees. STIPES has threatened to renew the strike, however, unless CEPA agrees to their new demand to give the union control over all hiring and firing decisions at the port.

15. (C) Lopez-Suarez alleged eleven STIPES directors are associated with the Mara Salvatrucha (MS-13) street gang and, during the strike, gang members went to workers' homes, threatening to kill family members if they reported to work. Lopez-Suarez said several

CEPA employees have reported similar stories to their supervisors.

16. (C) COMMENT: The good news is that the PNC acted on behalf of law and order to reopen Acajutla for business. On the other hand, Lopez-Suarez's allegation about gang involvement at senior levels within STIPES represents a potentially worrying development in the Salvadoran labor movement. With many in the private sector already expressing concern about aggressive FMLN policies that support organized labor, news that the unions may be infiltrated or directed by gang leaders will further chill relations among labor unions, businesses and government regulators. Systematic infiltration of Salvadoran labor unions would represent a significant obstacle to the development of modern structures of organized labor, which remains poorly developed two decades after the end of El Salvador's civil war.
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